

ISLAND COUNTY FIRE PROTECTION DISTRICT NO. 1
DBA CAMANO ISLAND FIRE AND RESCUE
Island County, Washington
January 1, 1994 Through December 31, 1995

Schedule Of Findings

1. District Officials Should Improve Controls Over Cash Receipts

During our audit of Island County Fire District No. 1, we noted weaknesses with internal controls over cash receipting. We found a lack of segregation of important duties and missing records. We discussed similar problems and made suggestions to improve controls with district officials during our last audit.

The district secretary receipts money and makes bank deposits. Receipts are held for up to two weeks before deposit with the bank. Further, no individual reconciles receipts with deposits or the reports from the county treasurer. Additionally, district officials do not always issue receipts, making it difficult to determine if all money received is deposited intact. In 1995, district officials began using a receipt book; however, they were unable to locate 44 of the 189 receipts written.

RCW 43.09.200 states in part:

The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction.

The above weaknesses make it impossible to determine if all funds received by the district were deposited with the county treasurer. We determined that \$343 received from January 1995 through July 1996 was not deposited with the county treasurer and district officials are unable to explain the disposition of these funds.

We recommend that district officials:

- a. Write receipts for all money collected.
- b. Account for all receipts issued or voided.
- c. Deposit the money intact with the bank timely.
- d. Reconcile receipts to deposits and reports from the county treasurer. This reconciliation should be performed by someone who does not receipt money or make bank deposits.

- e. Retain all documents necessary to isolate and prove the validity of every transaction.